certain observations about Capital erosion of certain Central Public Sector Enterprises (CPSEs) and reference of some of them to the Board for Industrial and Financial Reconstruction (BIFR). However, CAG has not made any recommendation about closure of any Central Public Sector Enterprise (CPSE) in this report.

(c) As per Public Enterprises Survey, 2003-04 which was laid in the Parliament on 2.5.2005 and is a public document, there was one CPSE namely fertilizer and Chemicals (Travancore) Limited (FACT) having its registered office in Kerala whose accumulated losses have exceeded its net worth as on 31.3.2004. Another company namely, Hindustan Newsprint Ltd., which also has its registered office in Kerala incurred loss during 2002-03 but turned to profit during 2003-04.

Revival of PSEs

2681. SHRI S.P.M. SYED KHAN: Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether the National Advisory Council (NAC) has made any recommendations to Government with regard to revival/restructuring of Public Sector Enterprises (PSEs);

(b) if so, details thereof; and

(c) the steps beign taken by Government in respect of restructuring of PSEs with details of the funds for the mission?

THE MINISTER OF STATE OF THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI SONTOSH MOHAN DEV): (a) and (b) National Advisory Council (NAC) had suggested that the first item in the Term of Reference of the Board for Reconstruction of Public Sector Enterprises (BRPSE) should be such as to enable it to look into ways and means for strengthening Public Sector Enterprises in general and making them more autonomous and professional. It was also suggested that the functioning of the Board should not be limited only to restructuring or advising on the closure or sale of Public Sector Enterprises that are referred to it by the Government.

(c) Enterprise specific measures for Revival/Restructuring of

CPSEs is taken by the concerned administrative Ministry/Department and management from time to time on case-to-case basis. Some restructuring measures include; Business and financial restructuring; Formation of joint ventures; Infusion of fresh funds; Technology upgradation; Modernisation; Manpower rationalization; etc. Fund requirement is based on the revival/restructuring package which is enterprise specific. However, information in this regard is not maintained centrally.

Purchase Preference Policy

2682. SHRI DIPANKAR MUKHERJEE:
SHRI CHITTABRATA MAJUMDAR:

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether a recent Cabinet decision on Price Preference Policy (PPP) for products and services of CPSEs has been restricted to the value of Rs. 100 crore;

(b) if so, the impact of the same on BHEL; and

(c) how Government are compensating the social cost borne by PSUs like BHEL, after restricting PPP?

THE MINISTER OF STATE OF THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI SONTOSH MOHAN DEV): (a) to (c) There is no Price Preference Policy, but a Purchase Preference Policy (PPP) which has been extended with Certain modifications for a period of three years i.e. upto 31.3.2008. The PPP support has been extended to the contracts including civil works and turnkey contracts of the value of Rs. 5 crore and above but not exceeding Rs. 100 crore. The Ministry of Power has been exempted from the PPP subject to the condition that they will place certain orders upon BHEL on a negotiated basis price benchmarked through competitively bid projects every year. Ministry of Power and Department of Heavy Industry will work out, at the beginning of the year, the number and value of the orders to be placed upon BHEL during the financial year.